THE ECOMMERCE ADVERTISER'S GUIDE TO
Customer Acquisition and Retention on Facebook
Are you maximizing ROI on your Facebook advertising?

Profit-driven advertising is empowering in theory, but can seem highly complex in practice if it’s not managed effectively. Successfully creating, optimizing, and scaling profitable ad campaigns across customer acquisition and retention initiatives requires access to a wide range of tools and data streams. This information is constantly updating with real-time data about customer behavior and purchases—all from different sources.

Data silos can be “time-consuming, expensive, fragmented, and frustrating.” And operating campaigns in entirely separate workflows isn’t just inefficient; it’s also a massive missed revenue opportunity.

For online retailers, the challenge is two-fold: 1) Find new customers that will help grow your bottom line, and 2) Keep those customers engaged and purchasing.

Facebook advertising has proven to be a tremendous growth driver for ecommerce marketers looking to scale both customer acquisition and retention efforts. And when these parallel goals are combined with Nanigans advertising automation software, greater scale, efficiency, and profit are suddenly within reach.

How can you maximize returns through customer acquisition and retention campaigns on Facebook that work together, not against each other? This guide features expert insights on how to best leverage Facebook and Nanigans to find and retain more customers like your best customers.

WHAT’S INSIDE THIS GUIDE

- **Customer Acquisition**: Expert insights on using first party data, audience segmentation, attribution, and more
- **Customer Retention**: Proven strategies including rules-based remarketing, dynamic ads, and more
- Real-world success stories from retailers succeeding with profit-driven Facebook advertising
When it comes to near limitless customer acquisition potential, Facebook is an ecommerce advertiser’s dream. Unparalleled targeting capabilities, direct response-focused ad units, and a consistent commitment to innovation mean that online retailers often make Facebook a top channel for customer acquisition.

Pair the vast audience and industry-leading targeting capabilities of Facebook with Nanigans advertising automation software, and online retailers can tap into a powerful growth engine to attract new customers.

Using Nanigans, in-house advertising teams can dramatically increase scale and efficiency across acquisition efforts, from launching campaigns to growing a subscription customer base in hours instead of days to attracting high-value mobile app shoppers at lower costs.

Here are just a few strategies for using Nanigans to maximize ROI for customer acquisition campaigns on Facebook.

**LEVERAGE FIRST-PARTY DATA**

The value of effectively leveraging first-party data can’t be understated. When you have such rich customer intelligence at your fingertips, why wouldn’t you put it to use to fuel more profitable customer acquisition?

As shopping behavior shifts toward smartphones and tablets, online retailers must be able to track purchase patterns within their mobile apps. While Nanigans pixels are a powerful solution for measuring and optimizing purchase behavior on desktop and mobile websites, the Nanigans mobile SDK takes industry-leading measurement into the world of apps.
Advertisers tend to underestimate the power and benefits of implementing website and app tracking with Nanigans. In addition to smarter, more effective optimization, Nanigans’ tracking solution is easy to implement and effortless to maintain.

- Tracking pixels load asynchronously, so they don’t bog down your website
- Pixels are universal; you never have to update publisher-specific pixels again, since Nanigans intelligently redirects a single pixel to the respective publisher, with all the relevant data for reporting and optimization
- Nanigans automatically handles any spec changes through smart pixels and the mobile SDK, so you can focus on scaling campaign performance, not tracking setup

Leveraging a full-featured mobile measurement solution can really pay off for retailers. Just one of many examples, a large Chinese retailer using Nanigans installed the mobile SDK in its app to more effectively activate mobile shopping behavioral data for new customer acquisition.

Using real-time LTV data from Nanigans’ mobile SDK, the retailer targeted new high-value customers with mobile app install ads on Facebook. Over two months, the ecommerce giant promoted more relevant, highly targeted ads that resulted in 62% growth in installs, 30% higher click-through rates, and a 20% improvement in costs.

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**EXPERT INSIGHT**

SUZANNE WONG
VP, Customer Success, East Nanigans

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Read the full case study to learn more about the strategy behind the retailer’s customer acquisition success.
SEGMENT EFFICIENTLY

Relevance is a cornerstone of effective online advertising, and it can only be achieved when marketers segment their campaigns. Gathering emails, user IDs, phone numbers, or device IDs of top purchasers enables you to more efficiently find new customers like your best customers. Taking into account past shopping behavior and customer persona demographics means you can segment audiences to acquire new high-value customers that will generate more revenue over time.

JackThreads, a top ecommerce destination for men’s fashion, took segmentation to the next level for its acquisition campaigns—and reaped the rewards as a result.

The retailer’s in-house team used Nanigans software to segment automated bidding, budgeting, and creative testing behavior for countries, devices, and sale types, splitting up campaign segments to better identify and scale winning strategies. In just two months, JackThreads achieved a 17% improvement in signup costs for acquiring new customers on Facebook.

MAXIMIZE REAL-TIME REPORTING

Real-time analytics can act as a magic 8-ball for advertisers. Granular performance data—on audiences, purchases, creative, targeting, costs, revenue, average order value, conversions, app installs, and more—is essential intelligence for data-driven customer acquisition.

Pivoting ad campaign strategy quickly and efficiently is one of the most effective ways to capitalize on new opportunities for scale before your competitors beat you to it.

Real-time reporting makes uncovering these opportunities simple. Using Nanigans, reporting isn’t only fast and highly customizable; it’s also actionable.

As soon as you uncover an interesting trend (like a certain audience segment that causes shopping app downloads to surge) you can launch new ads directly from your report to take advantage of that promising growth potential.
ATTRIBUTE INTELLIGENTLY

Do you have a sound understanding of customers that may click an ad for your product on their smartphone, but wait to make the purchase on their laptop? Tracking the customer purchase journey and its correlation to your Facebook ad spend makes accurate measurement and attribution a must.

Without being able to connect the dots, an incomplete attribution strategy may lead to misguided advertising investment. The ability to track advertising and conversion activity across devices (and ad channels) is critical for the most profitable budget allocation.

EXPERT INSIGHT

When using a last-click attribution model, the majority of conversions will likely be attributed to retargeting. However, this doesn’t mean you should stop investing in acquisition campaigns!

In reality, it was likely the acquisition effort that introduced the customer into your funnel in the first place. You’ll want to understand how acquisition and retargeting work together in order to determine how to allocate budgets for each segment. Measuring lift is one way to do this.

For example, you could measure acquisition only vs. acquisition + retargeting, and then compare total media cost vs. total return. The additional media cost associated with the retargeting campaign should bring in more value than acquisition alone, justifying the costs.

TRACK COHORTS

Traditional analytics solutions often give all customers the same weight and as a result, they lack deeper insight into how people behave over time. Measuring and analyzing how cohorts of newly acquired customers behave over time is a powerful way to optimize and scale prospecting campaigns.

Are customers who buy for the first time on Cyber Monday more or less valuable than those who make a first purchase during the rest of the year? Do campaigns run on weekends generate a positive return on ad spend faster than those launched during the week?

Using Nanigans, Cohort Analysis empowers e-commerce advertisers to understand and compare the value generated by new customers in the days, weeks, and months after initial ads are delivered.
I like to think of cohorting from not only a time perspective, but also a product, product category, and sale perspective. That is, how indicative is customer lifetime value from the product you're advertising? More often than not, a customer doesn't purchase the product being advertised, but that product could aptly predict future returns and value.

For example, an ecommerce retailer might see lower click-through rates when advertising expensive couches on Facebook. However, the users that do interact with those ads have a higher propensity to buy over time. You might see the inverse behavior over time when advertising a lower priced item that brings in a more impulsive customer that purchases once and never returns.

What’s the key lesson here? Use all of the data at your disposal. The product you advertise can not only impact acquisition campaigns, but also activation and reactivation.

**ALWAYS EXPLORE NEW AUDIENCES**

In the customer acquisition phase of a Facebook ad campaign, ecommerce marketers often make educated guesses about the audience segments that will respond best to their products and promotions.

However, if you rely solely on your best guess for targeting, it’s easy to miss out on massive revenue potential from untapped audiences of new customers.

Diving into all the available audience targeting parameters is an important step toward expanding your customer base. By closely analyzing ROI generated from specific audience segments and using Nanigans’ Affinity Analysis tool, lingerie retailer Adore Me uncovered a goldmine of new customers.

During a holiday Facebook ad campaign, Adore Me’s in-house marketing team used Nanigans to discover a correlation between sorority membership and new member signups on their ecommerce website. This insight enabled Adore Me to target more relevant Facebook ads and achieve 15X growth in new member registrations during the busiest season of the year for online retailers.

For a complete look at Adore Me’s winning customer acquisition strategy on Facebook, [read the full case study here](#).
MEASURE AND OPTIMIZE FOR LIFETIME VALUE

Not all customers are worth the same, so why pay the same price to acquire someone who spends nothing on your website or app vs. someone who may become a lifelong customer?

Focusing only on acquisition costs is a trap that can lead to significant missed revenue potential. The savviest ecommerce marketers make lifetime value a core tenet of their profit-driven ad campaigns. Lifetime value-based optimization takes your efforts to the next level by putting the focus not on surface-level metrics like CPA, but on long-term return on ad spend.

Advertisers using Nanigans can easily optimize their entire campaigns toward revenue or customer lifetime value. Tools like maturity curves and affinity modeling enable you to quickly understand how Customer A, who cost 20% more to acquire on Facebook than Customer B, can generate 5X more revenue over the course of a year, and is therefore well worth the higher upfront cost.

Revenue optimization is a proven strategy for increasing lifetime value generated from acquisition campaigns on Facebook. One popular flash sale site used Nanigans to optimize ad spend for lifetime value ROI, and grew returns 348% as a result. Read the complete case study for a look at how they did it.

Facebook is one of the top customer acquisition channels for online retailers for a reason: there are countless powerful tools for scaling profitable campaigns. Here are a few strategies to maximize returns with some of the platform’s must-use capabilities.

BUILD CUSTOM AUDIENCES FROM YOUR WEBSITE

Building a Custom Audience from your website is a popular tactic for retargeting campaigns on Facebook. However, Custom Audiences can be the starting point for highly effective acquisition campaigns as well. By creating a Custom Audience of the top purchasers on your website, you can then build a Lookalike Audience for targeting prospecting ads, enabling you to find new customers who share similar characteristics with your best shoppers.

NEST LOOKALIKE AUDIENCES

Lookalike Audiences should be a key pillar of any customer acquisition campaign on Facebook. To take this powerful tool one step further, try further refining your targeting by nesting Lookalike Audiences inside one another. For example, an online retailer might bid highest to acquire a customer in their top 1% of Lookalikes, then slightly lower for 3% Lookalikes, then 5%, and so on. With a nested Lookalike strategy, each previous segment is excluded from the next in order to avoid ad spend cannibalization and audience over-saturation.
TAP INTO AUDIENCE INSIGHTS

Audience Insights is a tool designed to help marketers learn more about their target audiences, including geography, demographics, lifestyle, and purchase behavior.

Whether you’re looking to acquire new customers for a sporting goods supplier or a furniture retailer, Facebook’s Audience Insights tool can be a great resource for uncovering new intelligence to build a richer picture of your ideal customer.

Where do they tend to shop most: online or in-store? What’s their average education level? Do they mostly live in urban, suburban, or rural areas? All of these insights—provided in an aggregated and anonymous fashion—can help fuel more effective targeting for large-scale customer acquisition campaigns.

EXPLORE MULTICULTURAL AFFINITY TARGETING

Marketers are increasingly recognizing the business imperative behind targeting multicultural consumers as they rapidly grow not only in number, but in influence too.

To help companies take advantage of this demographic shift, Facebook offers a comprehensive multicultural affinity targeting solution to reach these audiences.

For example, if you target every person in the U.S. aged 25-34, then you are likely delivering a significant portion of your ads to the growing multicultural audience. If your message is not designed with a multicultural audience in mind, it is less likely to resonate with this group.

Given that language and culture are critical when speaking to multicultural audiences, it is important to not only apply the appropriate multicultural targeting solution, but to also craft your ad’s copy and creative “in culture” and “in language” to break through the clutter and drive better acquisition performance with more relevant content.
It’s generally much more cost efficient to grow revenue from an existing customer (via more frequent purchases, upgraded subscriptions, etc.) than it is to acquire an entirely new customer. That’s why customer retention campaigns are an essential part of any online retailer’s Facebook advertising strategy.

When it comes to remarketing, ecommerce advertisers sometimes hesitate over “paying for the same customer twice.” This philosophy is often misguided, however, because when a customer is already familiar with your brand, they may be much more likely to buy, helping bring the aggregate cost per purchase down. With acquisition and remarketing campaigns working in tandem, you can end up paying less in aggregate to drive more revenue at scale.

Marketers have not always had success driving lifetime value on social channels, but the opportunities for advertisers on Facebook have evolved quite a bit over recent years. Social channels were once thought to be best suited for driving top of the funnel metrics such as likes, registrations, and low-value impulse purchases.

Facebook’s introduction of custom audiences from your website and dynamic ads have given advertisers the ability to influence the full conversion funnel and customer life cycle, effectively driving lifetime value.

More and more advertisers are taking advantage of Facebook’s dynamic ads as a highly effective way to drive higher-value purchases from customers that have already been exposed to their brand’s products. With seamless retargeting across desktop and mobile devices, dynamic ads are a great way to make the most of what you’ve already invested in acquisition.
Activating disengaged shoppers brought in through acquisition ad campaigns is a smart way to spur more purchases and build a foundation of customer loyalty. And one of the best ways to reengage customers is through retargeting campaigns with Facebook’s dynamic ads.

WHAT ARE DYNAMIC ADS?

Dynamic ads are a scalable retargeting solution from Facebook, enabling you to intelligently promote the most relevant products from your entire catalog to customers on any device.

This means that you can drive more purchases for your online retail business by delivering more targeted ads to existing and potential customers. Automatically show customized promotions to individual shoppers based on their desktop or mobile browsing behavior—while tapping into all the available data on your products—to increase the likelihood of a purchase. It’s like a highly personalized storefront on some of the most valuable digital real estate available today.

Dynamic ads offer a number of benefits to ecommerce advertisers.

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**SCALE**
Promote all of your products with unique creative without having to configure each individual ad

**ALWAYS-ON**
Set up your campaigns once and continually reach people with the right product at the right time

**CROSS-DEVICE**
Reach people with ads on any device they use, regardless of their original touchpoint for your business

**HIGHLY RELEVANT**
Show people ads for products they are interested in to increase their likelihood to make a purchase
SEGMENT YOUR CUSTOMER RETENTION INITIATIVES

Performance marketers often make the mistake of abandoning their segmentation strategy after the acquisition phase, when it’s equally important during the retargeting phase.

Consumers who have shown an interest in your product but have not yet converted are low-hanging fruit, and it’s well worth a little extra effort to activate them as loyal customers.

A powerful way to segment dynamic ad campaigns using Nanigans is to create rules to determine everything from what shopper behavior triggers a retargeted ad to which products or product categories should be promoted first. These rules can be as simple or multi-layered as you choose, allowing for highly advanced customer retention campaigns with a “set it and forget it” workflow.

GET CREATIVE WITH DYNAMIC AD CAMPAIGNS

The potential of dynamic ads to help retain customers and keep them coming back for more is clear, and there are infinite possibilities to increase incremental revenue through retargeting. Here are just a few creative ideas to consider when building your own customer retention campaigns with Facebook dynamic ads.

Convert more add-to-carts into purchases

If someone abandons a pair of shoes in their shopping cart, inspire them to complete the purchase with an ad for the same pair of shoes, or a selection of similar ones.

Increase purchase frequency with your top customers

When a customer buys a shirt of a particular style or brand, leverage dynamic ads to promote similar shirts to drive future repeat purchases.

Grow average order value by upselling products with higher margins

Promote dynamic ads showcasing designer handbags to shoppers who have recently browsed less expensive handbags on your site.

Fuel discovery of similar products in any given category

After a shopper searches your site for a new premium coffee maker, you can dynamically retarget them with an ad displaying other brands or models they haven’t seen yet.

Cross-sell complementary products

Retarget buyers of new printers who did not also purchase ink within the last 60 days. Use dynamic ads for various ink cartridges, tailored to the specific printer model they purchased.
USE DATA-DRIVEN INSIGHTS TO KEEP CUSTOMERS COMING BACK

Retailers around the world are driving more purchases and higher return on ad spend through data-driven customer retention campaigns on Facebook. As just one example of how to approach profitable retention advertising using Nanigans, here is an inside look at fashion retailer Pomelo’s winning playbook.

A large portion of Pomelo’s website traffic comes from Facebook, and the retailer wanted to more effectively convert those visitors, boost return on ad spend, and minimize cost per acquisition by reaching existing customers.

Pomelo used Nanigans advertising automation software to create a Custom Audience of people who viewed selected products on their website, or took certain actions like adding a product to their cart or completing a past purchase. Pomelo then ran dynamic ads to promote relevant products based on what people had been browsing.

With dynamic ads, Pomelo could promote its entire catalog of 1,500 products in real time. Ads paused as soon as items sold out, so people only saw what was in stock.

Nanigans’ predictive optimization software helped take Pomelo’s campaigns to the next level. Nanigans intelligently calculated the lifetime value of various audience segments, taking both conversion rates and revenue into account. It then automatically adjusted the ad buying process to use the best-performing creative.

Nanigans’ automated creative testing identified the best-performing creative for specific audience segments on a massive scale. Nanigans also constantly refreshed the creative, so people didn’t tire of it, which helped maximize conversions.

Dynamic ads helped Pomelo engage with previous customers and drive loyalty, as well as remind shoppers about products they’d been considering. Over a 4-month campaign, Pomelo’s strategy delivered highly cost-efficient conversions.

To learn more about Pomelo’s successful strategy with Nanigans, read the full case study here.

“We’re always looking for ways to customize our ads for each shopper. With dynamic ads, we can be sure that our target audience is seeing what really matters to them at that point in time. And what really saves time for our team is that the ads are paused as soon as an item is out of stock.”

NAPASAGORN VIBULSRIJA (BELLE)
VP of Marketing, Pomelo

12.9X
HIGHER RETURN ON AD SPEND

10X
INCREASE IN CONVERSIONS

85%
IMPROVEMENT IN CPA
User acquisition and retention ad campaigns are both vital steps in optimizing the customer journey, and they can be far more effective when treated as two parts of a single integrated strategy.

With a unified approach to data and campaign management using a full-funnel software solution, it suddenly becomes possible to properly attribute success, and to make more informed strategic decisions on where to invest ad spend on Facebook.

Ecommerce moves quickly, and so do digital advertising opportunities. Keeping up with today’s multichannel customers requires a marketing strategy that unites customer acquisition and retention, built on a solid foundation of first-party data. This strategy not only empowers you to optimize your campaigns toward your highest-value customers and activate lapsed users, but it allows you to gain deeper insight into how your customers engage with your brand and products.

To accelerate business growth and learn how Nanigans can power profit-driven customer acquisition and retention campaigns across channels, request a software demo today.
Nanigans advertising automation software empowers in-house marketing teams to grow the revenue impact of their digital advertising. More than $600M in annualized ad spend is managed through Nanigans software by commerce companies worldwide that rely on Nanigans as a strategic lever of customer growth and revenue generation for their companies.

Offered as Software-as-a-Service, Nanigans features multichannel programmatic media buying, predictive revenue optimization, and real-time business intelligence across today’s most valuable digital channels.